

Conservation Tax

In addition to the severance tax, the value of oil or gas is subject to the conservation tax. Conservation tax is levied and assessed in the same manner as the severance tax. The tax is imposed on the value at the well of all oil and gas produced, saved, and sold or transported from the premises in Nebraska. The producer of the oil or gas pays the tax unless the oil or gas is sold within

Nebraska. If the oil or gas is sold in Nebraska, then the first purchaser in Nebraska pays the tax.

The conservation tax rate is .40%. Revenue from the conservation tax is deposited in the Oil and Gas Conservation Fund.

Table 11: Conservation Tax Receipts

Month	2005	2004	2003	2002
January	\$32,423	\$21,380	\$27,832	\$15,175
February	\$33,171	\$23,104	\$23,553	\$12,817
March	\$37,605	\$66,213	\$44,672	\$20,809
April	\$38,027	\$9,443	\$28,846	\$41,711
May	\$51,578	\$12,526	\$26,709	\$9,300
June	\$31,503	\$31,436	\$43,500	\$38,306
July	\$39,687	\$31,080	\$29,212	\$24,657
August	\$36,268	\$46,937	\$18,146	\$33,502
September	\$62,437	\$18,630	\$28,078	\$27,420
October	\$68,393	\$55,920	\$31,428	\$42,759
November	\$16,812	\$34,267	\$9,915	\$8,007
December	\$55,889	\$39,368	\$37,948	\$47,943
Total	\$503,794	\$390,303	\$349,839	\$322,406

Litter Fee

The fee applies to manufacturers, wholesalers and retailers with annual gross proceeds of at least \$100,000 from the sale of certain products. Retailers are required to pay the fee on sales of: (1) food for human consumption, beverages, soft drinks, carbonated water, liquor, wine, beer, and other malt beverages, unless sold by retailers solely for consumption indoors on the retailer's premises; (2) food for pet consumption; (3) cigarettes and other tobacco products; (4) household paper and household paper products; (5) cleaning

agents; and (6) kitchen supplies. Manufacturers and wholesalers are required to pay the fee on sales of all of the items listed above for retailers, as well as glass containers, metal containers, and plastic or fiber containers made of synthetic materials.

The fee is \$175 per \$1,000,000 (.000175) of gross sales of products subject to the fee. Revenue from the fee is deposited in the Nebraska Litter Reduction and Recycling Fund.

Table 12: Litter Fee Receipts

Month	2005	2004	2003
January	\$2,846	\$82,049	\$1,052
February	\$3,221	\$8,414	\$5,781
March	\$1,100	\$833	\$8,195
April	\$1,096	\$1,571	\$1,365
May	\$1,967	\$363	\$2,855
June	\$2,359	\$9,831	\$150
July	\$1,668	\$775	\$14,678
August	\$1,475	\$5,949	\$555
September	\$863,646	\$704,856	\$807,606
October	\$574,055	\$631,506	\$402,854
November	\$7,885	\$24,860	\$82,845
December	\$4,282	\$20,330	\$5,772
Total	\$1,465,600	\$1,491,337	\$1,333,707